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SUBJECT: Juba Inflation Slows in April, then Spikes  
¶1. A market survey in Juba taken the second week of April shows prices stabilizing as the early rains in March stopped and allowed the roads to dry up, with an overall inflation month-on-month rate of just over 3

percent. Drops in the price of some grains were offset by higher meat prices, with the food and beverage category posting an overall rise of just over 2.5 percent (Note: when meat prices go up, consumers tend to buy less meat. End note.) The household goods category remained basically steady, with a gain of just over 1 percent, which is not statistically significant. The largest percentage jump, nearly 40 percent, was in the miscellaneous category (clothing, transportation, entertainment). This was caused by the price of a bus ride doubling from 50 Sudanese Dinars to 100 when gas supplies began to dwindle.

¶2. By the end of April, diesel in Juba was unavailable, which caused prices to rise another 3 percent, or nearly 7 percent over prices in March. The prices are expected to return to their early April levels now that diesel is once again available. Because the March rains did not signal the start of the true rainy season, the expected rainy-season price rise in April did not materialize.

¶3. Methodology: A local employee of the USG completed the price survey. Prices of goods were then adjusted based upon an estimation of the frequency of purchase for an average family of four in one month. Due to the ad hoc nature of data collection, these numbers are only intended to be used as a general guide to capture market conditions in Juba. Figures should not be compared to other inflation indexes. Because prices are so low and the basket of goods for an average household so limited, small changes in pricing will lead to a larger percentage change than in more developed economies with broader selections of goods available. Furthermore, there is a high degree of flexibility in purchasing patterns, and many households are completely outside the monetary economy, relying solely on bartering and subsistence farming. Once it is fully operational, the Bank of Southern Sudan plans to do a more precise and detailed consumer price index.

STEINFELD